STATE OF ARIZONA FILED

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STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT	CF)NSURANCE
BY	Q

In the Matter of:)	Docket No. 08A-076-INS				
UNITED OF OMAHA LIFE INSURANCE COMPANY,		CONSENT ORDER				
NAIC # 69868,	ĺ					
Respondent.) -					

Examiners for the Department of Insurance (the "Department") conducted a target market examination of United of Omaha Life Insurance Company (hereinafter "UOOLIC"). In the "Report of Targeted Examination of United of Omaha Life Insurance Company" (hereinafter "the Report"), the Examiners allege that UOOLIC violated A.R.S. § 20-461(A)(15) and A.A.C. R20-6-801(G)(1)(a).

UOOLIC wishes to resolve this matter without formal proceedings, admits that the following Findings of Fact are true, and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

- UOOLIC is authorized to transact life and health insurance pursuant to a
 Certificate of Authority issued by the Director.
- 2. The Director authorized the Examiners to conduct a targeted market examination of UOOLIC. The examination covered the time period from July 1, 2005 through June 30, 2006 and concluded on August 23, 2007. Based on their findings, the Examiners prepared the Report, dated June 30, 2006.
- 3. The Examiners reviewed 46 out of a population of 46 major medical insurance claims denied during the examination period using Reason Codes ZNA and YOF and found that UOOLIC failed with regard to eight (17%) of the 46 claims to

provide a reasonable explanation for the denial of claims in sufficient detail to allow members and providers to appeal an adverse decision.

CONCLUSIONS OF LAW

1. UOOLIC violated A.R.S. § 20-461(A)(15) and A.A.C. R20-6-801(G)(1)(a) by failing to provide a reasonable explanation for the denial of claims in sufficient detail to allow members and providers to appeal an adverse decision.

ORDER

IT IS HEREBY ORDERED THAT:

- 1. UOOLIC shall cease and desist from failing to provide a reasonable explanation for the denial of claims in sufficient detail to allow members and providers to appeal an adverse decision.
- 2. Within 90 days of the filed date of this Order, UOOLIC shall submit to the Arizona Department of Insurance, for approval, evidence that UOOLIC implemented corrections and communicated these corrections to the appropriate personnel, regarding the issues outlined in Paragraph 1 of the Order section of this Consent Order. Evidence of corrective action and communication thereof includes, but is not limited to, memos, bulletins, E-mails, correspondence, procedures manuals, print screens, and training materials.
- 3. The Department shall, through its authorized representatives, verify that UOOLIC has complied with all provisions of this Order.
- 4. UOOLIC shall pay a civil penalty of \$3,000.00 to the Director for remission to the State Treasurer for deposit in the State General Fund in accordance with A.R.S §§ 20-220(B) and 20-456(B). UOOLIC shall submit the civil penalty to the Market Oversight Division of the Department prior to the filing of this Order.
 - 5. The Report dated June 30, 2006, including the letter with UOOLIC's

1	objections to the Report, shall be filed with the Department upon the filing of this Order
2	DATED this, 2008.
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4	Christina Urias
5	Christina Urias Director of Insurance
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CONSENT TO ORDER

- 1. UOOLIC has reviewed the foregoing Order.
- UOOLIC admits the jurisdiction of the Director of Insurance, State of Arizona, admits the foregoing Findings of Fact, and consents to the entry of the Conclusions of Law and Order.
- 3. UOOLIC is aware of the right to a hearing, at which it may be represented by counsel, present evidence and cross-examine witnesses. UOOLIC irrevocably waives the right to such notice and hearing and to any court appeals related to this Order.
- 4. UOOLIC states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Consent Order and that it has entered into this Consent Order voluntarily.
- 5. UOOLIC acknowledges that the acceptance of this Order by the Director of the Arizona Department of Insurance is solely for the purpose of settling this matter and does not preclude any other agency or officer of this state or its subdivisions or any other person from instituting proceedings, whether civil, criminal, or administrative, as may be appropriate now or in the future.

6	Daniel J	J.	Kennelly	_,	who	hold	s t	he	office	of
Vice President		of UOOLIC, is authorized	d t	o ent	er int	o t	his	Order	for	
them and on their	behalf.									

United of Omaha Life Insurance Company

April 11, 2008	By Jamel & Romely	
Date)	

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1	COPY of the foregoing mailed/delivered
2	this <u>16th</u> day of <u>April</u> , 2008, to:
3	Gerrie Marks
4	Deputy Director Mary Butterfield
5	Assistant Director Consumer Affairs Division
6	Paul J. Hogan Market Oversight Administrator
7	Market Oversight Division Dean Ehler
8	Assistant Director
9	Property & Casualty Division Steve Ferguson
10	Assistant Director Financial Affairs Division
11	David Lee Chief Financial Examiner
12	Financial Affairs Division Alexandra Schafer
13	Assistant Director Life and Health Division
14	Terry L. Cooper Fraud Unit Chief
15	Investigations Division
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20	Pamela Bishop
21	Regulatory Issues Manager
22	Regulatory Affairs United of Omaha Life Insurance Company
23	Mutual of Omaha Plaza Omaha, NE 68175
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25	Cerney Buston